



Unlocking procurement's strategic value in TMT

Survey insights and actionable guidance for TMT CPOs

Procurement in the Technology, Media & Telecommunications (TMT) sector is at a pivotal crossroads: Relentless innovation and hypercompetitive dynamics are pushing the function beyond transactional execution and into a more direct role in growth, resilience, and enterprise value creation. Findings from Deloitte's 2025 Chief Procurement Officer (CPO) Survey highlight three reinforcing trends behind this shift. First, TMT teams are delivering strong cost and spend-management performance, reflecting mature operating discipline and Finance-aligned governance, but many remain anchored in run-the-business work as complexity (fast tech cycles, vendor risk, software spend) keeps execution demands high even as leaders want more strategic time. Second, digital transformation—including Generative AI (GenAI)—is emerging as a competitive edge because TMT organizations often have higher data/technology readiness and clear automation targets, allowing efficiency gains (process, risk sensing, sourcing insights) to be reinvested into innovation while still supporting margin-sensitive cost priorities. Third, talent is both the bottleneck and the release: Scaling these outcomes requires a complex balance of digital skills plus advisory capabilities (influence, change leadership, category depth), driving CPOs toward focused upskilling and hybrid capability models. In the sections ahead, we unpack what's driving these trends and what they may mean for TMT procurement leaders aiming to sustain performance while expanding strategic impact.



Strong performance with strategic time optimization opportunity

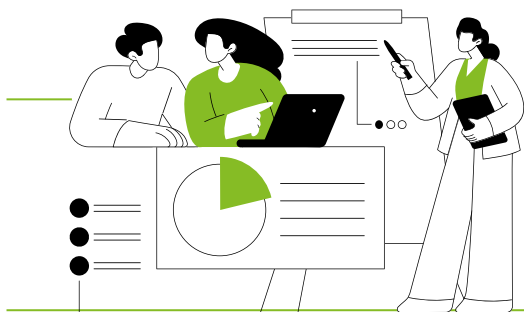
TMT procurement teams continue to deliver impressive results, consistently exceeding cost performance benchmarks: 88% of surveyed TMT organizations reported meeting their cost savings targets, outpacing the overall industry average (86%). This sustained discipline in operational execution provides the fuel necessary to support growth and innovation investments, underscoring procurement's foundational value to the business.

Yet, while operational effectiveness is clear, the survey reveals a compelling opportunity for CPOs to further amplify their impact through more strategic time allocation. Despite rising expectations, 74% of surveyed TMT procurement teams spend less than 30% of their time on strategic activities—a pattern that closely mirrors the broader market (79%) but contrasts sharply with aspirations. An overwhelming 95% of TMT procurement leaders say they want to

spend more than 40% of their time on strategic work (versus 82% overall). This signals both a strong desire and a necessity to lift procurement's contribution beyond the realm of “getting the basics right” and into more value-generating territory.

A solid foundation is already in place: 83% of responding TMT procurement teams have at least half of their total spend under formal management, exceeding the all-industry average (81%). Additionally, the fact that 81% of TMT procurement teams report through Finance (compared with just 49% overall) positions the function for deeper integration with enterprise value drivers, including budgeting, innovation funding, and risk management.

The call to action is clear: Sustained cost performance and a strong spend-management foundation are vital—but not sufficient by themselves—for tomorrow's procurement leaders. For CPOs striving to maximize procurement's role as a strategic engine for growth, systematically shifting more time and resources toward strategic, forward-looking activities should be a top priority. Those who invest in systems, digital tools, and talent to enable this shift may be better positioned to drive business transformation and unlock next-level value across the TMT landscape.



Key operational characteristics for TMT:

88% met or exceeded savings targets

83% have at least 50% of spend under management

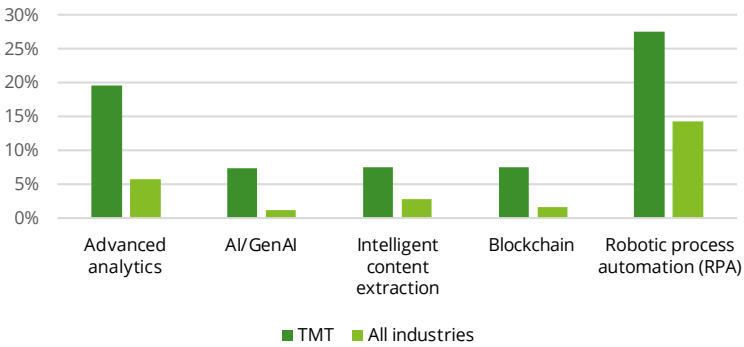
95% want to spend at least 40% of time on strategic activities

Digital transformation—including GenAI—as a competitive edge

As technology innovation accelerates, digital transformation has risen to the top of the TMT CPO agenda. No longer just about efficiency, digital solutions—including GenAI—are enabling procurement to deliver deeper, enterprise-level value. The survey underscores this evolution: More than 17% of TMT CPOs report piloting GenAI use cases—nearly twice the rate reported by other industry respondents in the survey. TMT procurement leaders are leveraging GenAI for everything from advanced risk prediction and workflow automation to greater operational efficiency.

GenAI has also emerged as a true differentiator, powering predictive negotiations, continuous risk monitoring, and smarter supplier selection. Nearly 54% of TMT CPOs consider GenAI adoption essential to remain competitive, compared to just 48% in other sectors. Rather than serving only as a means for cost savings, these efficiencies are strategically reinvested, funding innovative pilots such as new supplier partnerships and agile R&D sprints and creating a continuous cycle of value creation. For example, 26% of TMT CPOs reported two to three times ROI from GenAI investments, with 40% anticipating even greater value from future technology initiatives.

Next-gen technology use in procurement (TMT vs. other industries)



However, despite procurement’s shift from transactional to strategic, cost optimization does remain core to the role given the margin-sensitive TMT sector with nearly 52% of TMT CPOs continuing to make cost reduction a top priority, outpacing other industries. To enable this, more than 60% of TMT CPO respondents are investing in data analytics to identify savings, particularly around software licensing, and are increasingly incorporating agile, flexible contract clauses. These digital transformations have already paid dividends for these TMT CPOs with 50% reporting to have exceeded their cost savings target.

Next-gen technologies prioritized by CPOs for process enablement	
TMT	All industries
Insights – Data and analytics	P2P – Invoice and payment processing
P2P – Invoice and payment processing	Insights – Data and analytics
S2C – Category management	P2P – Purchasing
S2C – Sourcing execution	S2C – Sourcing execution
Tech – Application management of platform	S2C – Contract management

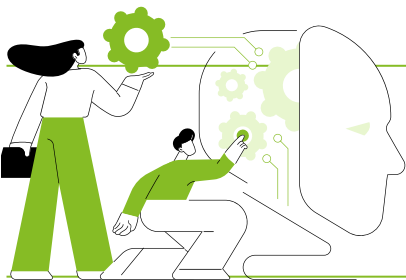
Nonetheless, digital transformation is not without obstacles. Integrating new technology with legacy systems, enabling data quality, and navigating organizational change fatigue remain top challenges. Yet, tangible results are already evident—next-generation technologies are automating invoicing, payment processing, category management, and sourcing. Ultimately, digital transformation enables procurement to create new sources of business value and sustained competitive advantage.

Talent: A driver of procurement transformation

High-performing TMT companies recognize that talent is both the greatest constraint and the most powerful driver of procurement transformation. Survey results indicate that top CPOs view investment in talent as fundamental—not only to improving efficiency but also to elevating the function's strategic influence. Most notably, bridging gaps in digital skills (GenAI literacy, advanced data analytics, and agile methodologies) is the highest priority for surveyed TMT CPOs. According to Gartner's Procurement Competencies Survey, 87% of procurement leaders lack the right talent for future needs.¹ As digital tools are proliferating rapidly, the need for tech fluency and workforce upskilling is outpacing available supply, making targeted development programs critical. To sustain digital progress, top CPOs are addressing challenges around limited AI/IT internal capabilities and the shortage of digital expertise by strengthening teams through mentoring, on-demand learning platforms, and sponsored learning programs.

However, as procurement becomes more strategic, skills such as cross-functional communication, influencing, change management, and category expertise have become must-haves. The ability to guide organizational change and deliver advisory value supports the broader transformation agenda across business units. As per the survey, CPOs highlight that key talent gaps are found in digital skills, soft skills, technical procurement skills and consulting skills. Responding CPOs are investing to build or develop digital capabilities and sourcing and negotiation skills, with 98% of them seeing contract and relationship management adding significant value to TMT procurement.

Additionally, leading TMT organizations are embracing a hybrid approach to talent, blending internal capabilities with strategic external partnerships. This hybrid approach allows teams to stay flexible and harness specialized capabilities while sustaining long-term capability growth from within. Collaboration with procurement solution providers—reported by 29% of respondents—further boosts in-house digital capability. Leading CPOs are also pushing procurement talent through broader value chains from market expansion to sustainability initiatives. They are creating cross-functional steering committees, rotating procurement talent through product teams, and sharing accountability for strategic key performance indicators like speed-to-market and innovation launches. Of surveyed TMT CPOs, 76% have indicated they plan to allocate more time toward strategic rather than transactional activities.



Top 3 technology implementation barriers for TMT:

1. Quality of data
2. Lack of budget/funding
3. Lack of internal IT resources



Top 3 skill gaps for TMT:

1. Digital skills (data visualization, predictive analytics, AI)
2. Soft skills (conflict management, emotional intelligence, business partnering)
3. Technical procurement skills (negotiations, contracting, strategic sourcing)



The evolving role of CPOs in the TMT sector underscores procurement's shift from a transactional function to a strategic partner—fueling growth, driving innovation, and enabling long-term competitive advantage and expectations for procurement leadership.

By investing in digital transformation, accelerating execution, and prioritizing next-generation talent, TMT procurement leaders are positioning their organizations to thrive amid constant disruption. CPOs who lead the way will likely be those who act boldly: accelerating digital transformation, prioritizing innovation with their teams and suppliers, investing in talent and learning, and connecting procurement into business and growth strategy.

As these survey findings make clear, the procurement function is now an engine for value creation, delivering not only savings but transformative impact across the entire business. In a world where technology and disruption wait for no one, procurement can't afford to wait either.

Contacts

Mike Deng

Principal
Deloitte Consulting LLP
mikdeng@deloitte.com

Vinay Rajani

Managing Director
Deloitte Consulting LLP
vrajani@deloitte.com

Ayushman Kaul

Senior Manager
Deloitte Consulting LLP
aykaul@deloitte.com

Cara Supnet

Manager
Deloitte Consulting LLP
csupnet@deloitte.com

Endnote

1. Gartner, "[Gartner says only 14% of procurement leaders have adequate talent to meet future needs of their function](#)," press release, November 29, 2023.

**About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Disclaimer

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.